

August 2024

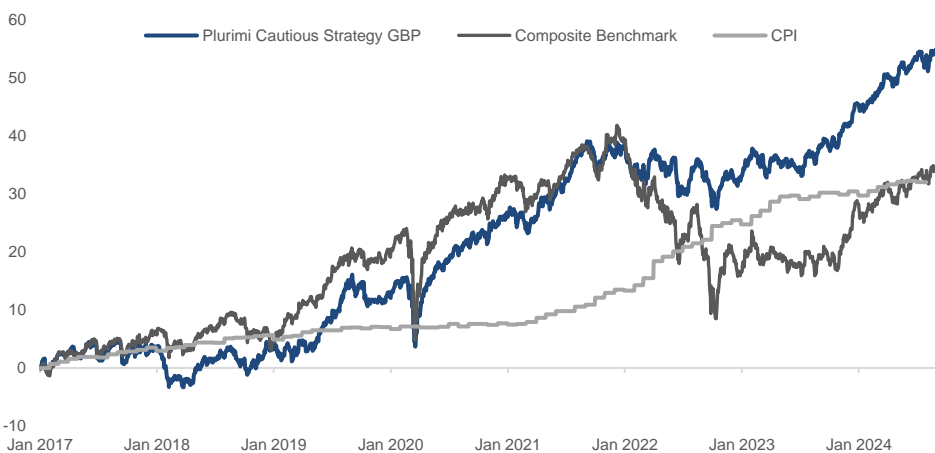
Objectives

The objective of the Plurimi Cautious strategy is to achieve long-term capital appreciation primarily through investments in a portfolio of global stocks and bonds. Tactically the strategy may also include exposure to commodities, real estate, and other alternative asset classes. The strategy is flexible and seeks to preserve capital on a 12-month basis and deliver a total return of inflation +2% per annum over a market cycle. Performance is compared to a composite index made up of 35% MSCI World GBP, 32.5% Iboxx Investment Grade GBP, and 32.5% FTSE UK Gilts All Stocks.

Risk and return targets

- Return target: CPI +2% per annum.
- Typical beta vs MSCI World: 0.4-0.6

Total return (%)



Total return in GBP terms. (Jan 2017 - Aug 2024)

The returns are gross and do not reflect the deduction of investment management fees, which will reduce return.

Source: Bloomberg

Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.0	1.1	2.3	-0.9	1.7	1.1	0.5	0.7					6.5
2023	2.6	-1.2	0.7	-0.1	-0.6	-0.1	2.1	0.4	0.2	0.2	2.2	2.7	9.5
2022	-2.6	0.1	1.8	-1.3	0.4	-3.9	3.3	-0.6	-4.4	2.8	2.1	-1.0	-3.5
2021	-1.5	-0.3	1.4	2.6	0.8	1.7	2.6	1.6	-1.3	-0.0	0.6	0.7	9.3
2020	1.6	-1.6	-2.4	4.6	3.2	0.3	0.6	1.4	1.2	-0.8	2.6	1.1	12.2
2019	-0.9	-1.1	3.4	-0.9	3.0	0.9	3.3	3.2	-0.7	-2.2	0.3	0.2	8.6

Total return for current and previous five calendar years in GBP terms. (Jan 2018 - Aug 2024)

The returns are gross and do not reflect the deduction of investment management fees, which will reduce return.

Source: Bloomberg

Equity sector exposure (scaled to 100%)

	Cautious	MSCI World
Communication Services	10.2	7.4
Consumer Discretionary	0.0	9.9
Consumer Staples	9.4	6.5
Energy	8.2	4.1
Financials	24.2	15.5
Health Care	9.6	12.3
Industrials	9.8	11.0
Information Technology	24.8	24.7
Materials	3.8	3.7
Real Estate	0.0	2.3
Utilities	0.0	2.6

Equity characteristics (scaled to 100%)

	Cautious	MSCI World
Dividend Yield	3.6	2.1
Price to Earnings Ratio (P/E)	17.2	22.4
Price to Cash Flow Ratio (P/CF)	10.8	15.2
Price to Book Ratio (P/B)	3.1	3.1
Total Debt to Common Equity	256	131
Current Ratio	1.3	1.2
Est ROE	41.9	33.5
Op. Income Growth	-0.9	1.4
Sales Growth	-0.8	3.3
Est P/E	14.7	17.6
Debt/EBITDA	1.1	3.1
Est EV/EBITDA	18.6	3.0
Profit Margin	16.5	9.3
ROC	5.3	6.8

Key points

Defensive strategy designed to protect capital in the short term and grow purchasing power over a cycle.

Objective stock selection process utilises independent research and proprietary screens.

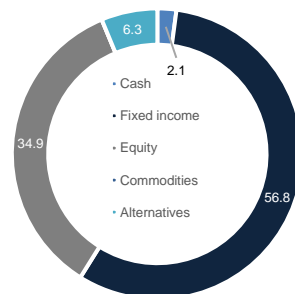
Top-down regional, asset class and style allocations to enhance returns and mitigate macro risks.

Portfolio characteristics skewed towards value, quality, and yield.

Key risks

Capital is at risk. The strategy has a flexible asset allocation policy, which means allocations to risky assets are not fixed and may be increased at the portfolio managers discretion. The strategy invests globally and takes currency exposure which also can create capital losses. The strategy is diversified but individual stock and corporate bond risk may be significant with positions up to 4 and 9% respectively.

Asset allocation (%)



X NIKKEI 225 1D	2.9
APPLE INC	2.4
BARCLAYS PLC	2.2
HARTFORD FINANCIAL SVCS GRP	2.1
ROCHE HOLDING AG-GENUSSCHEIN	2.0
DASSAULT AVIATION SA	1.8
PLUS500 LTD	1.8
MICROSOFT CORP	1.7
ALPHABET INC-CL A	1.7
VISA INC-CLASS A SHARES	1.7
ASSOCIATED BRITISH FOODS PLC	1.6
META PLATFORMS INC-CLASS A	1.6
EOG RESOURCES INC	1.5
NVIDIA CORP	1.4
DANONE	1.4
ADOBE INC	1.4
3M CO	1.4
FREEPORT-MCMORAN INC	1.2
DEVON ENERGY CORP	1.1
ZOETIS INC	1.1
APPLIED MATERIALS INC	1.0
ISHARES CORE GBP CORP	14.1
ISHARES GBP CORP BOND 0-5YR	12.3
AM UST GOV IN-LK BD-ETF GHD	7.1
WT AT1 COCO ETF GBP HEDGED	6.2
UKT 3 ¼ 01/31/33	4.6
HTHROW 6 ¾ 12/03/26	4.0
GS 3 ¼ 07/25/29	2.5
VW 2 ¾ 04/12/25	2.2
GS 1 12/16/25	2.0
TABULA US ENHANCED INF GBPHA	4.7
BREVAN HOWARD AB RT G-A1 GBP	3.4
BRITISH POUND	2.1

Source: Bloomberg/PW

Commentary

The strategy rose 0.7% in August, amid a rise of 0.4% from the composite benchmark.

Dassault Aviation was added early in the month. It manufactures military aircraft, business jets, and space systems. The stock trades at less than 15x forecast earnings, and it should benefit from a longer-term trend of increased defense spending. **3M** rose 5.4% following its addition. 3M Company has operations in electronics, telecommunications, industrial, consumer and office, health care, and safety. A cost cutting program initiated in 2023 has led to margin expansion exceeding consensus expectations in recent quarters. **Roche** rose 2.6% after its addition. Roche is one of the world's largest pharmaceutical companies which operates in two divisions, Pharmaceuticals and Diagnostics. Roche's raised full-year earnings guidance in July and clinical trials have shown some early-stage success in obesity assets.

Plus500 was the strongest contributor rising by 13.7%. Plus500 said it expects full-year results ahead of market estimates and raised shareholder returns after a rise in revenue and pretax profit for the first half. It also said it would launch a \$110 million share buyback. **Meta** rose 7.3%, as it significantly raised its revenue guidance for the coming quarter.

Applied Materials fell by 9.0%. The stock suffered from tensions between US and China on potential increased chip restrictions attempting to cut China off from advanced technology. We removed **Renesas** during the month. **Alphabet** fell 7.0%. It reported earnings that beat expectations, but its outlook was lower than some estimates.

Fixed income positions delivered positive returns with Gilts and corporate bonds both rallying by 0.3%. Interest rates moved lower as soft inflation numbers increased the potential for easing from the US Federal Reserve and the Bank of England. Our fixed income positioning outperformed the market with a 1.3% return from inflation linked bonds, which outperformed conventional bonds in August.

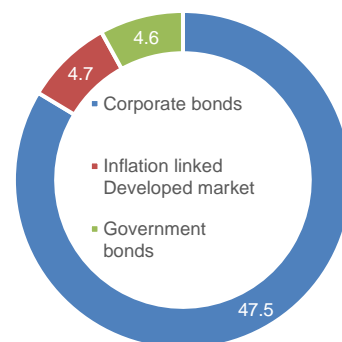
Strategy managers:

Patrick Armstrong, CFA
Eugen Fostiak

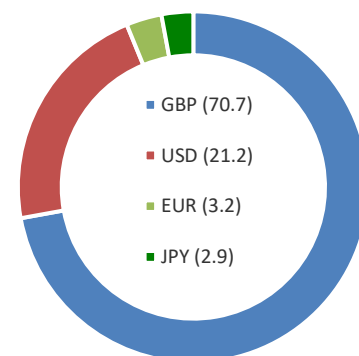
Target return: CPI +2% per annum

Holdings: 34

Fixed Income type (% of Portfolio)



Currency (%)



Performance attribution (%)

	Since inception	1 month attribution
Equity	+37.8	+0.3
Fixed Income	+17.1	+0.3
Commodity	+3.2	+0.0
Alternative	-3.1	+0.1
Cash	+0.1	+0.0

Top contributors	1 month return
PLUS500 LTD	13.7
META PLATFORMS INC-CLASS A	7.3
WT AT1 COCO ETF GBP HEDGED	1.3
3M CO	5.4
GSK PLC	4.0

Bottom contributors	1 month return
ALPHABET INC-CL A	-7.0
APPLIED MATERIALS INC	-9.0
DEVON ENERGY CORP	-7.0
FREEMPORT-MCMORAN INC	-4.7
MICROSOFT CORP	-2.4

Portfolio characteristics (%)

Volatility (ex-ante)	6.3
Value at Risk (Monthly 97.5%)	3.7

Performance indicators

	Plurimi Cautious	Composite Benchmark
Annualised return	5.9	4.0
Annualised volatility	6.1	8.1
Sharpe ratio	0.7	0.3
Best month	4.6	6.6
Worst month	-4.4	-7.1
Max drawdown	-10.7	-23.5

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